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C O N F I D E N T I A L SECTION 01 OF 03 ISLAMABAD 003533

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SUBJECT: ZARDARI REACHES OUT TO BALOCHISTAN

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Classified By: Anne W. Patterson for reasons 1.4 (b), (d).

¶1. (C) Summary: In a marked change from the previous government, President Zardari has been reaching out to the oft forgotten province of Balochistan. Especially after the October 29 earthquake, Zardari is intensifying GOP efforts to settle a long-simmering Baloch rebellion through political reconciliation with Pakistan's largest (in area) and least developed province. The people of Balochistan, though still wary of promises from Islamabad, have welcomed Zardari's confidence building measures. These include removal of 35 Frontier Corps checkpoints, release of hundreds of Balochis arrested on politically-motivated charges, and a four-hour meeting between Zardari and 42 Baloch leaders. Zardari wants political reconciliation to improve the security necessary for energy development and remove ongoing irritants originating in Balochistan to Pakistan's relations with India and Afghanistan. Baloch militants remain skeptical of Zardari's outreach, and their agreed cease-fire remains tenuous; the key to reconciliation will be local revenue sharing of Balochistan's natural gas resources. End summary.

ZARDARI- A SON OF BALOCHISTAN

¶2. (C) Even before his election to the presidency, Asif Zardari set up a reconciliation committee to "assure the people of Balochistan that the Pakistan People's Party-led government sincerely aims at resolution of all their issues immediately without any delay." Zardari described his vision as resolving all Baloch issues through political consultations and not by confrontation. The people of Balochistan have been encouraged by Zardari's positive rhetoric, which they see in sharp contrast to the military approach of the last government.

¶3. (C) Additionally, as an ethnic Baloch who speaks Balochi, Zardari is regarded as someone who might understand Baloch concerns. His most popular pronouncement has been that the people of Balochistan "have first right over their natural resources"- addressing one of the main Baloch complaints that natural gas and other resources are shipped out of Balochistan without just compensation to the people of the province. (Note: In fact, the Balochistan provincial assembly and Chief Minister are preparing a resolution to demand a

royalty and transit fee for the IPI gas pipeline. Article 161 of the Pakistani Constitution guarantees that the royalties from natural gas wells will be given to the province where the well-head is located. End Note.)

14. (C) In addition to public announcements, the PPP-led government has released over 800 political Baloch prisoners and, under Zardari's instructions, nearly all cases against the Baloch resistance politicians have been dropped, including many against tribal leaders Nawabs Marri and Mengal. On June 17, Prime Minister Gilani announced a 6 billion rupee (USD 76 million) grant for Balochistan from his discretionary funds and on October 20 he announced an additional 3 billion rupees (USD 38 million) for provincial debt relief. In light of the October 29 earthquake, Islamabad has sent 250 million rupees (USD 3.2 million) for immediate relief and has promised 370 million (USD 4.7 million) more for rehabilitation and reconstruction. Quetta continues to face financial woes, which the State Bank of Pakistan has tried to mitigate by extending a generous financial package. (See Reftel).

OUTREACH & CEASE-FIRE

15. (C) In terms of direct political reconciliation, Interior Minister Rehman Malik has been able to achieve some political ground with Nawab Akbar Bugti's son, Nawab Talal Bugti. (Note. Nawab Akbar Bugti, the former leader of the Bugti tribe, was killed in August 2006 in an alleged Pakistani military bombing operation. Balochis point to his death as a symbol of Islamabad's oppression of Balochistan. End Note.) Malik went to Quetta on August 28 and met with leaders of all

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the nationalist parties and spoke with tribal leaders Nawab Ataulah Mengal and Nawab Khair Bakhsh Marri. In preparation for Malik's visit, PPP officials had been reaching out to all the Baloch nationalists and insurgents. At the end of his visit, Malik announced that the military and paramilitary forces would be gradually replaced by civilian law enforcement- an announcement lauded by all Baloch nationalist parties. Significantly, Malik also ordered the Frontier Corps to remove 35 checkpoints from various areas of Balochistan.

16. (C) On September 1, three Baloch nationalist insurgent groups, including Baloch Liberation Army (BLA), Balochistan Liberation Front, and Balochistan National Front, announced an unconditional cease-fire. Most observers credited this cease-fire to the outreach by Malik and other PPP leaders. However, since the cease-fire announcement two violent incidents have marred the tenuous peace. On September 17, a former commander of Nawab Akbar Bugti and now a pro-government leader, Painsa Khan, was seriously injured by a roadside bomb in Dera Bugti for which insurgents have claimed responsibility. On September 26, 19 insurgents were killed after they attacked a Frontier Corps convoy.

17. (C) According to Consulate Karachi sources, the BLA claims that GOP military operations are on-going and has demanded release of all political detainees and resettlement of up to 150,000 refugees displaced by years of fighting. Some suggest that the BLA's decision to support a cease-fire was merely designed to buy time to re-arm.

RECONCILIATION COMMITTEE

18. (C) President Zardari has appointed top PPP interlocutors to the "Shaheed Benazir Bhutto Reconciliation Committee on Balochistan." Senator Babar Awan, secretary of the committee and Minister of Parliamentary Affairs, publicly announced the government's three-prong strategy in Balochistan: reconciliation with all political forces, rebuilding national

institutions, and reallocating resources. Others on this executive committee include: Senator Raza Rabbani (parliamentary leader of the Senate), Nawab Lashkari Raisaani (President of PPP, Balochistan), and Mir Ijaz Jhokrani (a member of the National Assembly and an important ethnic Baloch tribal leader). The committee has reiterated Zardari's stance that Balochistan's problems can not be solved militarily and must be done through confidence building with all Baloch stakeholders.

¶9. (C) Dr. Awan has started progress on the committee's five-point roadmap for implementation:
-A jirga with Baloch intellectuals, farmers, journalists, and other stakeholders;
-A second jirga with all political parties in Balochistan;
-A meeting of the Balochistan Provincial Assembly to discuss problems and recommendations;
-Prominent members of the Balochistan Provincial Assembly will report findings to the National Assembly;
-Finally, a joint session of the National Assembly and the Senate will deliberate a final implementation plan to include legal and constitutional solutions.

¶10. (C) The first meeting with Baloch stakeholders was held in Islamabad on October 30. The entire reconciliation committee and President Zardari met with 42 Baloch farmers, intellectuals, journalists, and writers. The meeting did not include Baloch politicians. Most of the Baloch stakeholders came to Islamabad doubting the government's sincerity and fearing that this meeting would be another public relations display with no concrete deliverables. The Baloch farmers stood up and even challenged President Zardari that if this was just a nice trip to Islamabad, then he was wasting "Punjab's money."

¶11. (C) According to Nusrat Baloch -- the editor of Balochistan's largest Urdu daily and one of the defacto leaders of the Baloch intelligentsia who took part in the meeting -- the 42 Baloch representatives came from every different strata of society and were pleasantly surprised by the level of respect and attention afforded to them. President Zardari sat with the representatives for four hours

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-- two hours longer than scheduled -- and listened to every complaint and suggestion offered. Most of the interlocutors stressed the need for employment, education, health, and food assistance. Others raised questions about Islamabad's communication with traditional Baloch leaders from the Mengal, Marri, and Bugti tribes. Nusrat Baloch noted that stakeholders were impressed by Zardari's response that he was in constant and close communication with the tribal leaders and they need not worry about this. There were some issues, such as the complete withdrawal of the Pakistani military, which the Baloch avoided because they wanted to focus on more tenable demands. The participants reportedly left feeling optimistic and hopeful that Zardari might actually be able to deliver on his promises to Balochistan.

SHAHBAZ SHARIF OFFERING PUNJAB'S HELP

¶12. (C) In a bid for PML-N support in Balochistan, Punjab Chief Minister Shahbaz Sharif has also been making prominent gestures to bring aid to Balochistan. With Zardari's approval, Shahbaz Sharif has invited all the provincial Chief Ministers to set up a platform for provincial coordination and harmony. Using this new committee and also the comparatively vast resources of Punjab, Shahbaz Sharif has made several visits to extend monetary and in-kind help to Quetta's new provincial government, including additional wheat supplies and additional scholarships for Baloch students in Punjabi universities.

¶13. (C) Sharif has also been attempting a public relations

campaign by visiting Nawab Bugti's former residence and offering condolences to his son. He publicly condemned the killing of Bugti and the injustices against the Pashtun and Baloch peoples. The Punjab Chief Minister offered a "blank check" from Punjab to Balochistan to help its financial woes.

Most local observers credit the Punjab-based Sharif's newfound interest in Balochistan to constituent-building ahead of local elections scheduled for August 2009.

¶14. (C) Comment: Zardari's interest in political reconciliation reflects long-standing PPP promises but also is highly pragmatic. The PPP-led government does not need another front in a growing militant insurgency in the Pashtun tribal areas. Some of the hardest hit areas of the October earthquake in Balochistan include Pashtun villages. According to various Pakistani sources, the ongoing Baloch secessionist movement has undermined Indo-Pak relations by attracting unhelpful Indian intelligence agency meddling. Likewise, Islamabad's relationship with Kabul suffered because the former Musharraf government repeatedly accused the GOA of giving wanted Bugti terrorists refuge from Pakistani law. Zardari also desperately needs energy resources, and repeated Baloch militant attacks on power lines and/or natural gas development exacerbate an already dire nation-wide energy shortage. The proposed IPI pipeline cannot be built or maintained unless security conditions improve. The area is also a transit point with Iran for the Afghan drug traffic that helps fund the insurgency on the Pak-Afghan border. Political reconciliation and some revenue sharing will be key to addressing these issues. End comment.
PATTERSON